

DEFINITION OF AN HMO THAT IS NOT FEDERALLY QUALIFIED

Any health maintenance organization (HMO) with which the Department enters into a contract* must meet at least the following requirements:

1. Be a managed care organization licensed under the provisions of Commerce Department, Insurance Division, rules, 191 Iowa Administrative Code 40, for the scope of services as defined in the rule 441 Iowa Administrative Code 73.6(249A).
2. Make available the services it provides to its Medicaid enrollees as established in the contract.
3. Make provisions satisfactory to the Department against the risk of insolvency and assure that neither Medicaid enrollees nor the State will be responsible for the HMO's debts if it becomes insolvent. Compliance shall exist with Commerce Department, Insurance Division, rules regarding net worth at 191 Iowa Administrative Code 40.12(514B) and reporting requirements at 191 Iowa Administrative Code 40.14(514B).
4. Attain and maintain accreditation by the National Committee on Quality Assurance (NCQA) or URAC. If not already accredited, the managed care organization must demonstrate it has initiated the accreditation process as of the contract effective date and must achieve accreditation at the earliest date allowed by NCQA or URAC.
5. Be licensed and in good standing in the State of Iowa as an HMO in accordance with 191 Iowa Administrative Code 40.

*The contract must meet the following minimum requirements:

1. Be in writing.
2. Specify the duration of the contract period.
3. List the services which must be covered.
4. Describe service access and provide access information.
5. List conditions for nonrenewal, termination, suspension, and modification.
6. Specify the method and rate of reimbursement.
7. Provide for disclosure of ownership and subcontracted relationships.
8. Specify that all subcontracts shall be in writing, shall comply with the provisions of the contract between the Department and the managed care organization, and shall include any general requirements of the contract that are appropriate to the service or activity covered by the subcontract.
9. Specify appeal and grievance rights.
10. Specify all operational and service delivery expectations.
11. Specify reporting requirements.
12. Specify requirements for utilization management and quality improvement.
13. Specify requirements for program integrity.
14. Specify termination requirements and assessment of penalties.

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